

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:3188
ANSWERED ON:19.12.2008
MOU BETWEEN PFC AND EXIM BANK OF US
Thakkar Smt. Jayaben B.

Will the Minister of POWER be pleased to state:

(a) whether the Power Finance Corporation (PFC) has signed any Memorandum of Understanding (MoU) with the Export-Import (EXIM) Bank of US recently; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE & INDUSTRY AND MINISTER OF STATE IN THE MINISTRY OF POWER (SHRI JAIRAM RAMESH)

(a) & (b) : Yes, Sir. A Memorandum of Understanding (MoU) between Power Finance Corporation (PFC) and Export-Import Bank of the United States `Ex-Im Bank` was signed on 14th May, 2008. As indicated in the MoU:-

(i) Ex-Im Bank will make available a special delegated line of credit (SDLC) of up to US\$800 million to be used by PFC to support purchases of U.S. goods and services to be incorporated in financing power projects including renewable energy technologies.

(ii) The availability of this SDLC for particular purchases or projects shall be for a period of up to two years following Ex-Im Bank's Board approval of the Facility on April 16, 2008.

(iii) Use of the SDLC will be subject to Ex-Im Bank approval for each individual transaction request under the Facility, and must comply with the terms for Ex-Im Bank financing. Additionally, use of the SDLC will be subject to the approval of the Reserve bank of India. Use of the SDLC will not require any guarantee for the Government of India.

(iv) Key elements of the SDLC include access to Ex-Im Bank's medium and long-term guaranteed and/or direct dollar loans, substantially reduced processing time, and the establishment of a new marketing tool for both Ex-Im Bank and PFC to promote the purchase of U.S. goods and services.

(v) Environmental standards ought to be in accordance with Indian environmental standards/norms as enunciated by Ministry of Environment and Forests, Government of India.